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(Plain English) Business Studies – Management and Leadership

The Nature and Scope of "business"

Year 11—Part One. **STUDENT'S BOOKLET**



Exploring THE WORLD OF BUSINESS

What is "business"? Where did the concept start? Why is it such a dominant force in our world? How would you start a business and why?! What are the costs and what are the benefits? What do we mean by "the bottom line"? What is the "quadruple bottom line?

What is a "multi-national?" How and what do we contribute to the "global marketplace"? What is "slave labour"? Does "business" have "moral obligations".... Or is it all about "profit"?

These are some of the questions that relate to the concept and the operation of what we call **Business** Read on!



This module

What is your "Y"? Introduction to "business" What is and why have "organisation"? Basic types of organisation How do we categorise business? Tofit and other measures of business success

n this unit, you will....

- Discuss the nature of business, its role in society and types of business structure; including profit and not-for-profit organisations.
- Explain the internal and external influences on businesses including the (operating and macro) environments of a business.
- Analyse the responsibilities of business to internal and external stakeholders. The nature of business ethics and socially responsible management; and their potential impact on various stakeholders.
- Plan and conduct investigations into contemporary business issues .
- Evaluate information for actual and hypothetical business situations
- Determine some of the objectives of different types of organisations;
- Determine the distinctions between small, medium and large businesses;
- Assess the contribution of small business to the economy;

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What is business?

Where did "business" start? Why did it start?

You may have studied some history. You may know that originally (as far as we can tell) people formed "co-operative" groups. That is, what we might call "villages". Probably for reasons of safety!

It is likely that as other villages developed and grew, people would grow different crops, maybe keep different animals and they would "trade" with each other. The process was called "barter". The agreement would be one quantity of "A", would be exchanged for another quantity of "B". Both parties would "negotiate" until agreement was reached.

In some parts of the world, this is still expected! Even though the "medium of exchange" is now "money". So, we find that business has some cultural aspects we may need to consider!

Money, then, became the "medium for exchange." That is, instead of swapping crops, a "price" could be set. You could negotiate a different price, if you so wished; making sure "parties" agree on a figure. Then the "sale" took place!



Web~search your local area for " Farmer's Markets" or "produce" markets.

If there is one happening in your neighbourhood (or someone in your

group knows of one), arrange with your BOD's, to go along one weekend. Talk with some of the stall hold-

ers. Find out why they use this avenue of marketing their wares. Find out if they have ever considered a more conventional type of "shop front...... Record your outcomes on the following page.

KEEP AN EYE ON IT Current Industry Trends

What have you added to your "scrap book" this week?

Share it with your BOD's.

Have your teacher/tutor in on the discussion about what you have found.

MANAGEMENT SPEAK?

Management Speak: "You have to show your flexibility!"

Meaning: You have to do it whether you want to or not.



swap-exchange-barter-get-more-free.html



EYE ON IT Current Industry Trends

Communication....(What did you say?)

Go straight to MR18 and carry out the exercise as you are instructed!

One of the areas where many organisations fall down, is in their ability to communicate.effectively! In fact, it is a problem in life! Many marriages fail for lack of good communication!

You may hear someone say, "I was taken out of context"! Meaning that someone has not really listened to (or looked at) what the other person said. You will find this a lot. We will talk about "Message sent" (what 'you' said) and "Message received" (What I thought I **heard** you say!)

As you saw in the exercise in MR 18. Accurately communicating and idea can be very hard! It also depends a lot on the "other person". It actually depends on their "paradigm" too. [A "paradigm" is the 'window we look out at the world through'.... You may go into this in a bit more detail in MR14, if you have time, or decide to make this a special study area.]

But, as you saw in MR18, "message sent" does not always "equal" "message received"! In short, what you try to communicate, may not be clearly heard by the other person. QUOTABLE QUOTES

The single biggest problem in communication is the illusion that it has taken place.

George Bernard Shaw

So.....why would this be important in business? Well, consider your Vision

statement! It is a series of words trying to communicate a very special message. Take a look at some companies that you know from personal experience. [You may have bought things from them]. Look up their Vision Statements. How many do you think are reflected in what you saw, in the business?

If you were to ask the staff, do you think they would know what the Vision is?

How good is the communication in the business? If they can't get it right with



their people, how good will they be communicating to us...the client?

englishblog.com





Module Resource 3—Data on Not-For-Profits

| ECONOMIC ACTIVITY SU | RVEY 2006-07 NPIS | | | | |
|------------------------------------|---------------------------------|-------------------|-----------------------|------------|-----------------|
| Income | Expenditure | Liabilities | Assets | Employment | Volunteers |
| Funding from federal, | Labour costs: | Provisions for | Cash and deposit | Full-time | Number of |
| state and local | Wages and salaries | employee | Investments held with | Part-time | volunteers |
| government: | Employer contributions to | entitlements | fund managers | Number of | Number of hours |
| Funding for current | superannuation funds | Other liabilities | Property, plant and | employees | |
| operations | Salary sacrificed earnings paid | | equipment | | |
| Volume based | on behalf of employees- | | Other assets | | |
| Non-volume based | | | | | |
| Funding for specific capital items | ✦ For superannuation | | | | |
| | ✤ For employee benefits | | | | |
| | other than superannuation | | | | |
| | Workers' compensation | | | | |
| | premiums/costs | | | | |
| | Fringe benefits tax | | | | |
| | Payroll tax | | | | |
| Income from related or | Payments to other businesses | | | | |
| affiliated organisations: | (eg. employment agencies) | | | | |
| From Australian resident | for staff | | | | |
| organisations | | | | | |
| From non-resident | | | | | |
| Donations, sponsorships | Grants and other payments | | | | |
| and fundraising: | made to other organisations/ | | | | |
| Donations from | businesses & individuals: | | | | |
| philanthropic trusts/ | To Australian resident | | | | |
| foundations | organisations | | | | |
| Donations from businesses/ | Related or affiliated | | | | |
| organisations | organisations | | | | |
| Sponsorships | Other organisations/ businesses | | | | |
| Donations/bequests/ | and individuals | | | | |
| legacies from individuals | To non-resident organisations | | | | |
| Other fundraising | | | | | |
| Membership fees: | Donations paid | | | | |
| From businesses/ | | | | | |
| organisations | | | | | |
| From individuals | | | | | |





Module Resource 10 : Vision and Purpose **RESOURCE MATERIALS** and Business

Take a look at these ads. What basis are the companies recruiting on? Is it the Vision of the business, the Missions it is pursuing, or the Tasks they want done?

Get a copy of the paper this weekend. With your BOM, each pick two or three ads.

Ask yourself what are the businesses recruiting on?

If the Vision is meant to inspire people, why do businesses recruit on the basis of "task"????

So..... Here is the "exercise". Take one of the ads you have found, and with your BOD's (and your teachers' help) rewrite the ad, and make up a Vision for that business, that you think would attract the best people for the job!!

Cuttings from the 'Age" newspaper: 7/11/1998





SOURCE MATERIALS MR19: Business Communication

Having obtained permission to "observe" the methods of communication in a given store, you can record your observations here:

| Business name: | | |
|-----------------------------------|------------|----|
| Type: (e.g. National/Supermarket) | | |
| Date & day of visit: | Time: From | to |

| Method* | Target market** | Aim*** | Comments/Observations# |
|---------|-----------------|--------|------------------------|
| | | | |
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| | | | |
| | | | |
| | | | |

- * Method = Audio/ Visual (eg poster)/ Kinesthetic (= Touch/Taste/Smell)/ Video display etc.
- ** Target Market = Which age group, or demographic, or interest group etc.
- *** Aim = Impulse buy; Try and buy; Sell; Tell; Ad-form (give client information);
- # Observations: was the material prominent (e.g. front of shop); repetitive; varied; etc

Business Development



MR26: Marketing/Advertising....Going "too far"??? A "saucy ad" by Richmond Ham.

Richmond Ham released an advertisement, in which the entire cast were naked! (The "discrete parts" were covered up. The TV "watchdog" (in the UK) banned the advertisement. They only had 300 complaints about the nudity! But THAT was not the reason the advertisement was withdrawn!

Here is an excerpt from the article in "http://www.englishblog.com/"

"Well, if you thought that it was because of all that nudity, you'd be wrong. Although the ad attracted 370 complaints to the ASA from shocked viewers with many arguing it was both offensive and unsuitable to be seen by children, the advertising watchdog accepted <u>Richmond</u>'s defence that "Consumers would understand that it was a light-hearted reference to the product being 'as nature intended".

The ASA said:

'Whilst we understood the ad may not appeal to everyone, we considered that it was not sexual in tone and we concluded that it was unlikely to cause serious or widespread offence.'

But, while the ASA was happy with the nudity, it decided to ban the commercial on the grounds that it gave a misleading impression about where the ham was made. For while the advertisement described it as 'Britain's only ham made with 100 per cent natural ingredients', the product is actually made in Ireland by <u>Kerry Foods</u> (Source: <u>Mail Online</u>)

LYRICS

Oh Richmond ham, as nature intended You've nothing to hide, Richmond ham, to me you taste blooming splendid With bread or alone, every slice meatily You're like tasting ham for the first time to me Oh Richmond ham, a mouthful of splendid So naturally tasty inside every bite, how nature intended And I say naturally, check the pack and you'll see 100% natural ingredients, it's true, yes it's Richmond for me.

LANGUAGE

The phrase 'as nature intended' is sometimes used as a euphemism for 'naked'.



You and your BOD's have an advertisement made to market a new product: "Skin Deep". It is a unique and perfectly safe tanning solution. It produces a brilliant natural tan look. You have the Advertising Company, "On The Edge", sent a brief,

and they produce an advertisement that has some "discrete nudity" as one of the "main attractions" in the ad (The old adage is, "Sex Sells!")

You are confronted with having to decide whether the Ad should "air" on television. Especially as your target market is teens to 20's... Discuss and determine your response to "On The Edge".